

W.P.No.15803 of 2005

Dated 19th JULY 2006

... Petitioner

... Respondent

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W.P.No.15803 of 2005

This writ petition has been filed seeking a Writ of Mandamus, declaring the action of the respondent bank in deducting the crop insurance premium from the crop loan amount advanced for the crop season of 2002-2003 as illegal, arbitrary and without jurisdiction and also for a direction to the respondent not to deduct the crop insurance premium from the loan amount sanctioned for the crop season of 2005-2006.

2. None appears for the petitioner and no representation is made on his behalf. Heard the learned counsel for the respondent.

3. Learned counsel for the respondent contended that the crop insurance scheme was introduced by the Government of India as a social welfare and beneficial measure for the farmers and the validity of the said scheme came to be questioned before a Division Bench of this Court in “***Andhra Pradesh Rythu Sangham v. Union of India & others***”^[1], wherein it was held as follows: (para 11)

“11. We are of the opinion that the Scheme benefits the farmer indemnifying him against the crop loss. The amount of loan will be recovered from the insurance amount thereby a double purpose is served. The poor cultivator is indemnified against loss and the financial institutions which are Cooperative Banks are indemnified against loss

by the General Insurance Corporation. This is a social security measure meant for the benefit of rural population and benefits only those who taken loans from the financial institutions. In other words, it is limited to the class of people who are getting subsidized loans from such institutions who themselves have got to be saved against ruin by general calamities affecting the area in question. Such a Scheme cannot be said to be in any manner, unreasonable or arbitrary.”

It is also brought to the notice of this Court by the learned counsel for the respondent that a similar writ petition i.e. W.P.No.16793 of 2005 was disposed of by a learned Single Judge of this Court on 15.09.2005 in view of the decision of the Division Bench in Andhra Pradesh Rythu Sangham's case (cited supra).

4. In the circumstances, as the matter is squarely covered by the decision of the aforesaid Division Bench and following the same, the present writ petition is dismissed. No order as to costs.

G.V. SEETHAPATHY,J

Dated 19th JULY 2006.

BSS

[\[1\]](#) 2002(2) ALD 486 (DB)